

NEW ACCESS TO HALT DECEPTIVE TELEMARKETING PRACTICES

COMPANY TO PAY AT LEAST ONE MILLION DOLLARS IN RESTITUTION AND FEES AND ISSUE
ONE MILLION IN ADDITIONAL CREDITS TO CUSTOMERS

Montana Consumer Protection Office and the Public Service Commission today announced a ten state settlement to protect consumers from misleading telemarketing campaigns previously conducted by New Access, LLC, a reseller of local and long-distance phone services.

The States investigating New Access alleged that New Access engaged in a pattern of deceptive practices in its telemarketing practices including misrepresenting to consumers the actual price of New Access' services, misrepresenting New Access' affiliation with a consumer's current provider and misrepresenting the savings which consumers could realize if they switched to New Access. In addition, the States alleged that New Access switched consumers' telephone service provider without the consumer's consent.

New Access denied the States' allegations but cooperated with the States in reaching an agreement, which will make significant changes in its business practices and provide better protection to consumers against deceptive telemarketing tactics.

The settlement bars New Access from switching a consumer's telephone service without first obtaining express affirmative consent from the consumer and further bars the company from representing that it is affiliated with the consumer's current service provider or that the consumer is required to switch to telephone service offered by New Access. It also requires New Access to:

- Provide a toll free telephone number connecting to a live person for customer service for all new customers;
- Make certain disclosures to consumers in a clear and prominent manner during telemarketing calls including the average regulatory fees that will be added to the base price of service;
- Obtain separate authorization from a consumer for each feature the consumer wishes to obtain from New Access, if that feature is not included in the package price being offered;
- Implement a nationwide system for recording its telemarketing solicitation calls in their entirety and to maintain that system for one year from the date of the settlement.

In settling the case, New Access agreed to credit the bills of former customers in an amount the company estimated in excess of \$ 1,000,000 and further agreed to establish a restitution plan which requires the company to deposit Two Hundred and Fifty Thousand Dollars into a Trust Fund for consumer claims and to supplement that fund if additional monies are needed.

Consumers who have filed complaints about New Access' deceptive practices or who file their complaint within 90 days of entry of the settlement will be eligible for restitution. In addition to the \$ 250,000 initial fund for consumer restitution, the company agreed to pay the investigating states Seven Hundred and Fifty Thousand Dollars for penalties, attorney's fees and costs. .

Participating in this settlement with Montana are the states of Colorado, Ohio, Michigan, Minnesota, Nebraska, North Dakota, Iowa, Texas and Wisconsin.